

[IR Material]

Supplementary Material on the Consolidated Financial Results for the Three Months Ended June 30, 2025

**YAHAGI CONSTRUCTION CO., LTD. Code no.: 1870
(Listed on Prime Market of Tokyo Stock Exchange and
Premier Market of Nagoya Stock Exchange)**

Financial Results for the Three Months Ended June 30, 2025

Highlights of financial results for the three months ended June 30, 2025



■ Net sales

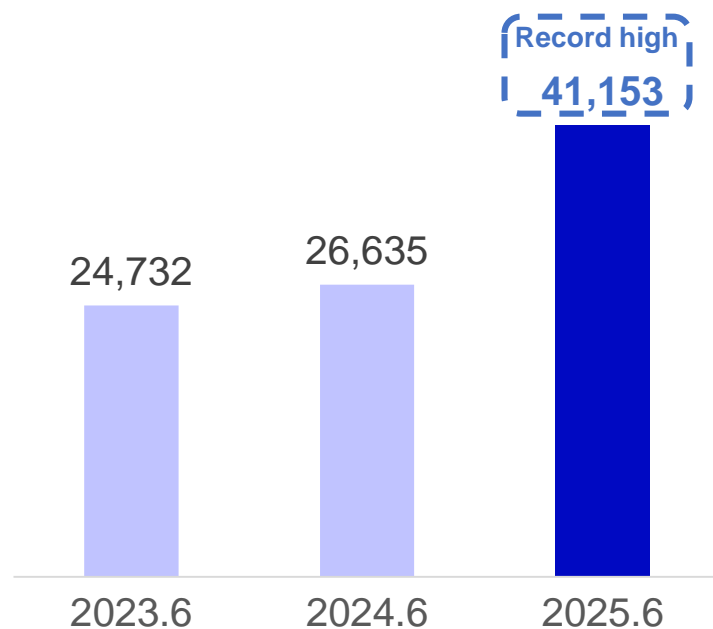
Net sales increased significantly by ¥14.5 billion year on year to ¥41.1 billion, marking the second straight record-breaking year. This was in part due to progress on construction projects, particularly large logistics facilities.

■ Profit

In addition to the effects from higher sales, improved construction profitability also helped. As a result of the significant jump in gross profit, operating profit totaled ¥3.6 billion, and profit attributable to owners of parent was ¥2.5 billion. These results represent record first-quarter highs for each level of profit.

Net sales (JPY mil)

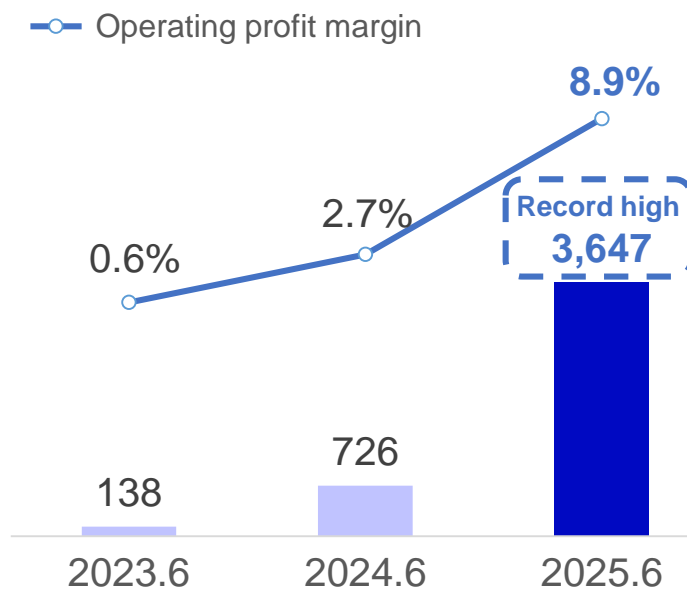
YoY ¥14.5 bn. (54.5%)



[Reference] First quarter record highs as of the previous fiscal year: ¥26,635 million for the three months ended June 30, 2024

Operating profit (JPY mil)

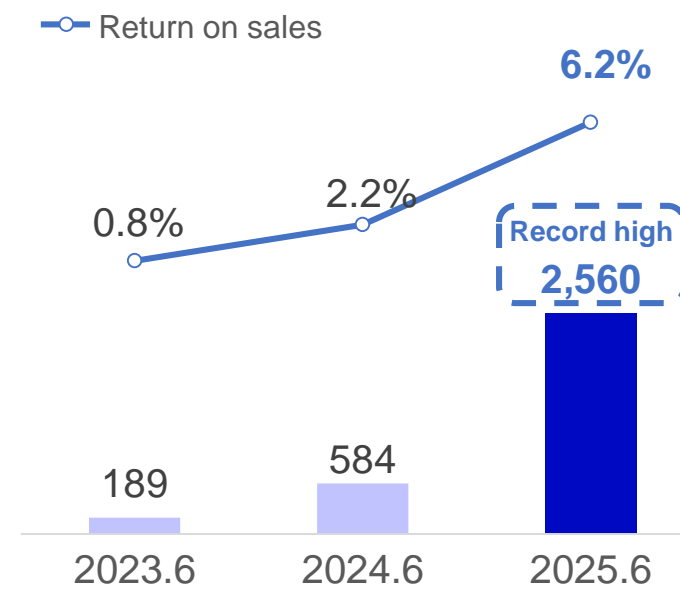
YoY ¥2.9 bn. (401.8%)



[Reference] First quarter record highs as of the previous fiscal year: ¥2,829 million for the three months ended June 30, 2016

Profit attributable to owners of parent (JPY mil)

YoY ¥1.9 bn. (338.5%)



[Reference] First quarter record highs as of the previous fiscal year: ¥2,265 million for the three months ended June 30, 2016

Financial results for the three months ended June 30, 2026



	2023.6	2024.6	2025.6	(Millions of Yen)	
	Actual	Actual	Actual	Year on year Increase/decrease	Change
Net sales	24,732	26,635	41,153	14,518	54.5%
Net sales of completed construction contracts	21,962	22,344	35,702	13,358	59.8%
Net sales in real estate business and other	2,769	4,291	5,450	1,159	27.0%
Gross profit	2,519	3,214	6,398	3,183	99.0%
<i>(Gross profit margin)</i>	(10.2%)	(12.1%)	<i>(15.5%)</i>		3.4pt
Gross profit on completed construction contracts	1,602	1,616	4,530	2,914	180.3%
Gross profit on real estate business and other	917	1,598	1,867	269	16.9%
Selling, general, and administrative expenses	2,381	2,487	2,750	263	10.6%
Operating profit	138	726	3,647	2,920	401.8%
<i>(Operating profit margin)</i>	(0.6%)	(2.7%)	<i>(8.9%)</i>		6.2pt
Ordinary profit	195	777	3,676	2,899	373.0%
<i>(Ordinary profit margin)</i>	(0.8%)	(2.9%)	<i>(8.9%)</i>		6.0pt
Profit attributable to owners of parent	189	584	2,560	1,976	338.5%
<i>(Return on sales)</i>	(0.8%)	(2.2%)	<i>(6.2%)</i>		4.0pt

Factors for increase or decrease in net sales/operating profit (vs results for the first three months ended June 30, 2024)

- **Net sales - - - There was a significant ¥14.5 billion increase year on year due to the significant growth of the construction business, resulting in a new high.**

Construction business: Net sales increased significantly by ¥13.3 billion due mainly to progress in a large logistics facility project and other construction projects.

Real estate business: Net sales rose ¥1.1 billion year on year, the result of the sale of self-developed land for industrial use., etc.

- **Profit - - - Operating profit increased significantly by ¥2.9 billion year on year to a new record high.**

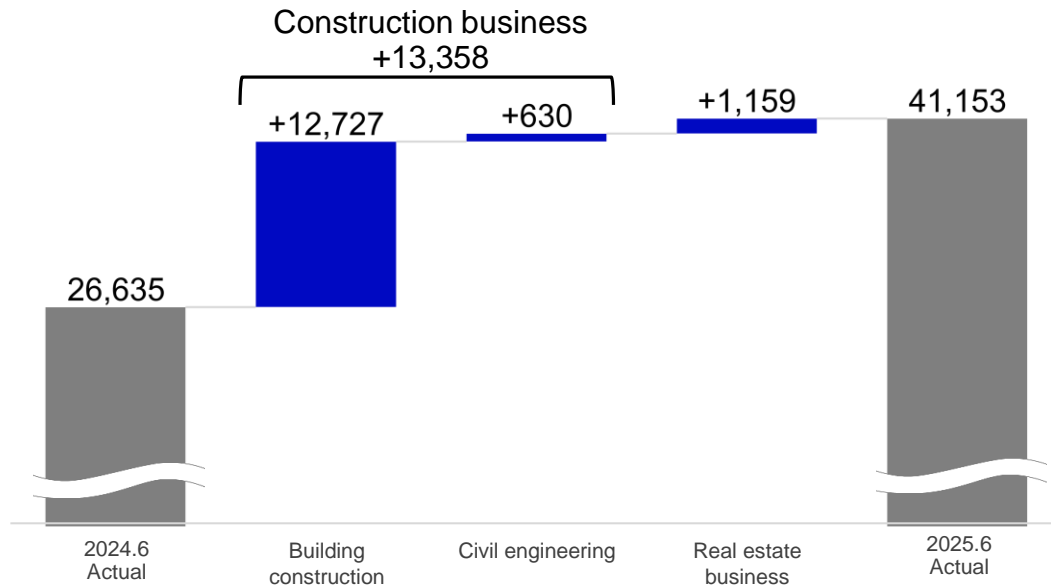
Construction business: Profit increased significantly, up ¥2.9 billion year on year, benefitting from the effects of increased sales, as well as improved profit margins from increased order amounts due to modifications

Real estate business: Profit increased ¥0.2 billion year on year due to an increase in sales.

SG&A expenses: Expenses rose ¥ 0.2 billion year on year, primarily from increased investments in human capital associated with personnel system revisions

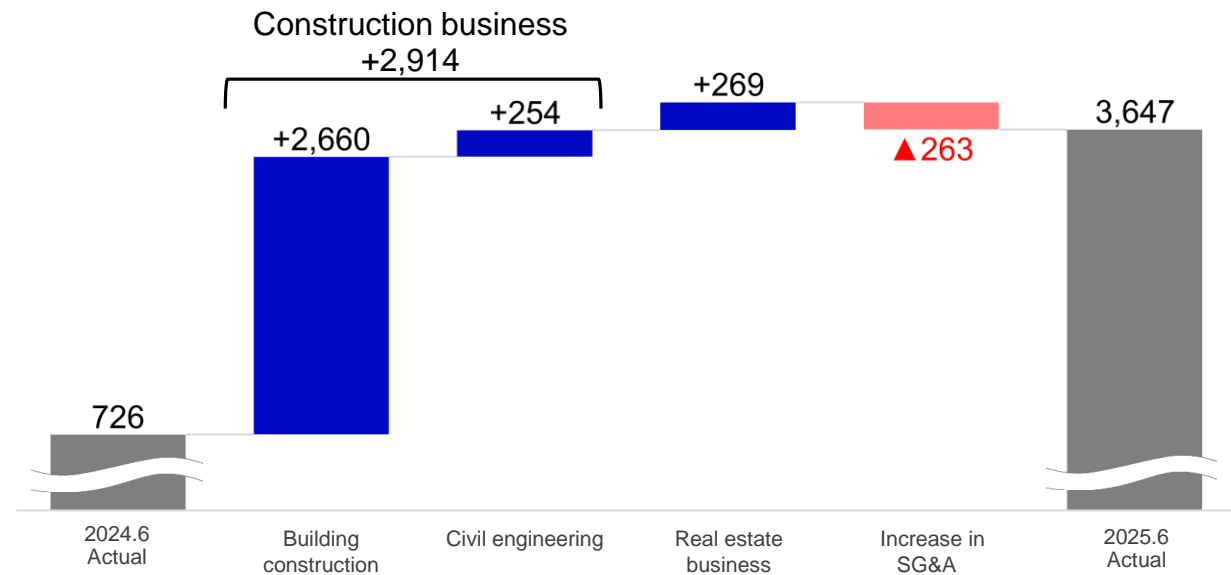
Net sales (JPY mil)

YoY **¥14,518 mil.** 



Operating profit (JPY mil)

YoY **¥2,920 mil.** 



<Overall status by segment> Architectural business



■ Orders received

Orders received rose by a significant ¥7.9 billion year over year, mainly due to an increase in orders for building construction related to real estate development

■ Net sales

Significantly increased by ¥12.7 billion year on year due to progress in construction, mainly in the large logistics facility project.

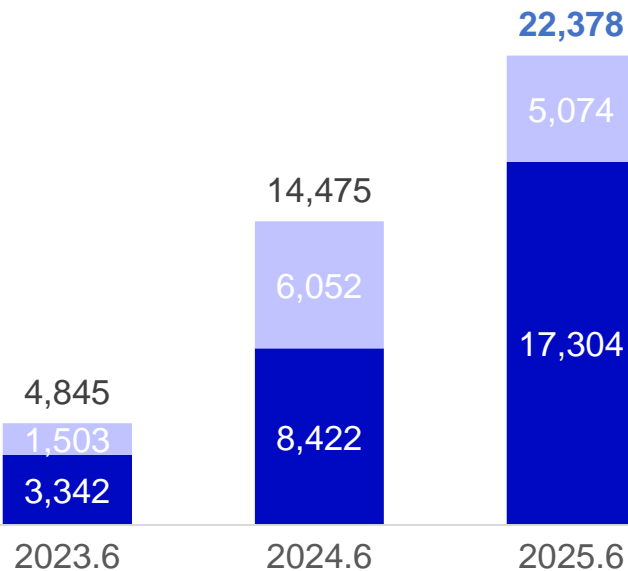
■ Gross profit

Gross profit increased significantly, rising ¥2.6 billion year over year, benefitting from the effects of increased sales, as well as improved profit margins when increased amounts were secured for modifications associated with the rising price of goods

Orders received by use (JPY mil)

YoY ¥7.9 bn. (54.6%)

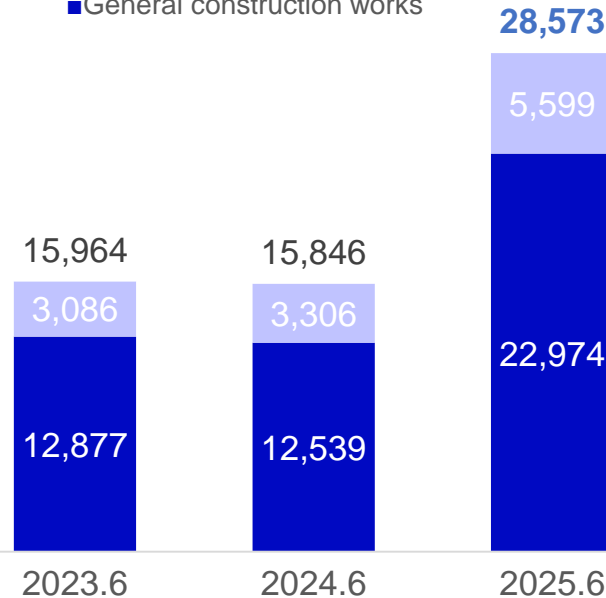
■ Condominium construction works
■ General construction works



Net sales by use (JPY mil)

YoY ¥12.7 bn. (80.3%)

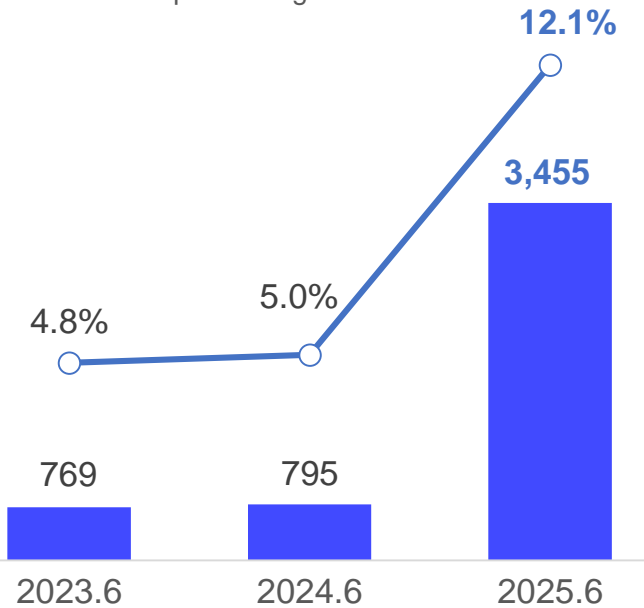
■ Condominium construction works
■ General construction works



Gross profit (JPY mil)

YoY ¥2.6 bn. (334.6%)

○ Gross profit margin



<Overall status by segment> Civil engineering business



■ Orders received

Despite a decline of ¥1.9 billion compared with the previous year, which marked a record high for a first quarter, performance was steady with construction profits for both the public and private sectors

■ Net sales

Sales increased by ¥0.6 billion year on year due to growth in private sector projects such as elevated railway track work and residential land development work

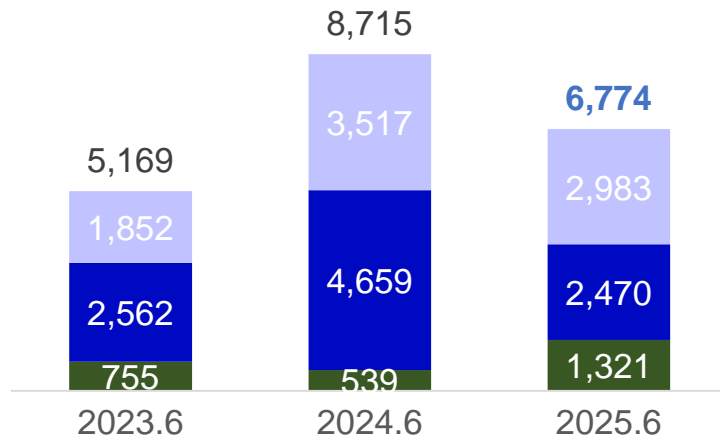
■ Gross profit

Gross profit increased ¥0.2 billion year on year, helped by reduced costs in private sector construction in addition to the effects of higher sales

Orders received by use (JPY mil)

YoY **¥1.9 bn. (22.3%)**

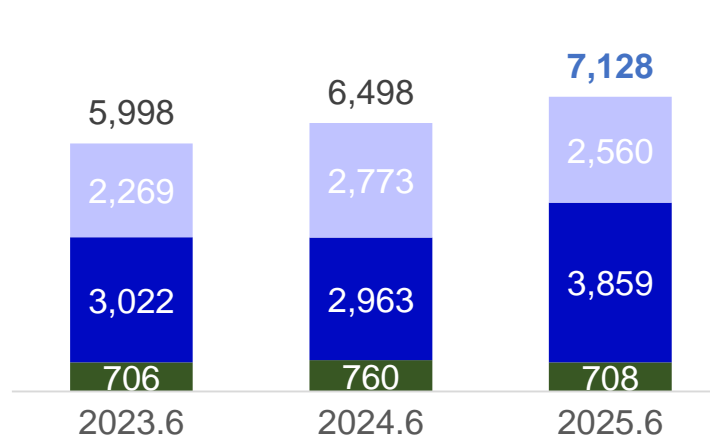
■ Governmental projects
■ Private-sector works
■ PW works



Net sales by use (JPY mil)

YoY **¥0.6 bn. (9.7%)**

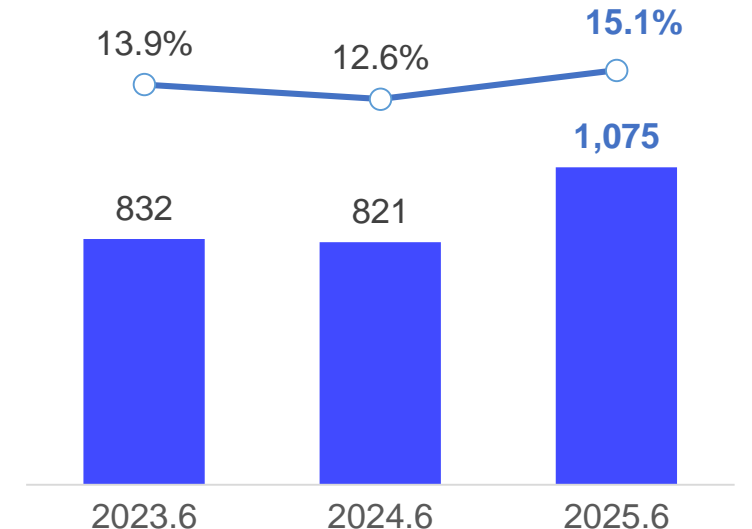
■ Governmental projects
■ Private-sector works
■ PW works



Gross profit (JPY mil)

YoY **¥0.2 bn. (30.9%)**

○ Gross profit margin



* PW works: Works performed by the Company's proprietary PAN WALL method for natural ground reinforcement.

<Overall status by segment> Real estate business



■ Net sales

Sales increased ¥1.1 billion year over year, primarily from real estate sales of self-developed land for industrial use

■ Gross profit

Increased ¥0.2 billion, benefiting from the effect of net sales growth.

■ Condominiums for sale business

The number of units sold remained flat due to a lack of new properties available for supply, mirroring the same period in the previous year

Breakdown of net sales (JPY mil)

YoY **¥1.1 bn. (27.0%)**

■ Condominiums for sale business
■ Real estate sales
■ Others

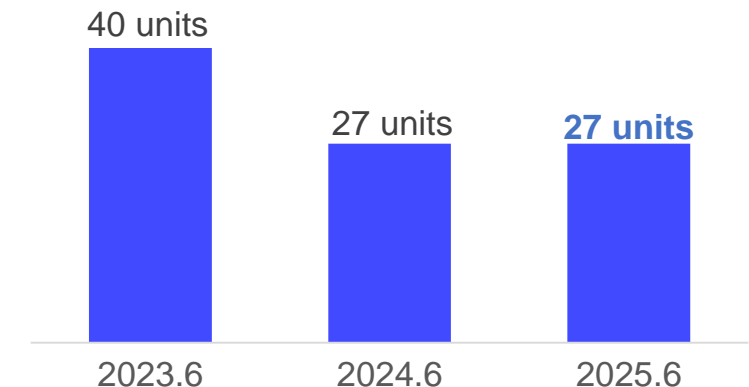
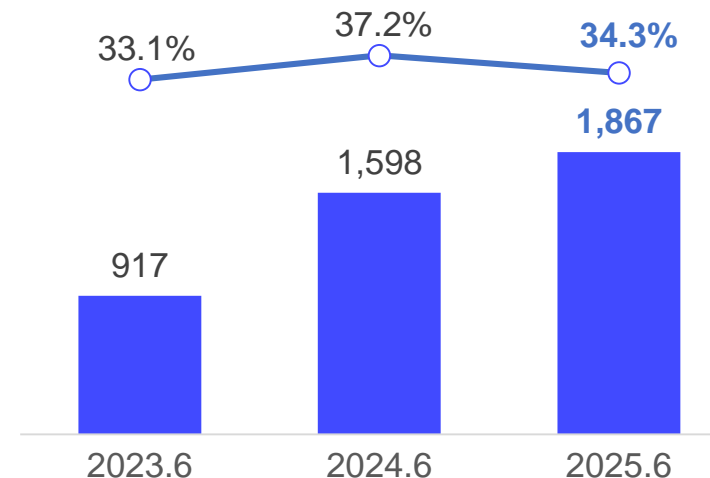
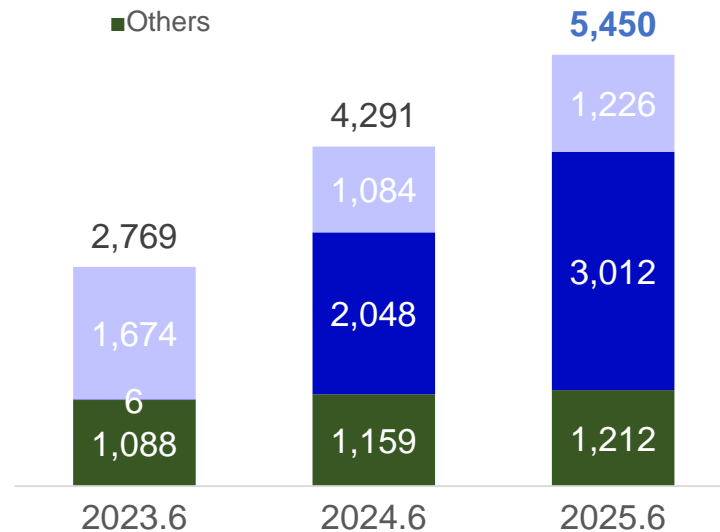
Gross profit (JPY mil)

YoY **¥0.2 bn. (16.9%)**

○ Gross profit margin

Number of condominium units sold

YoY **±0 units (±0.0%)**



* Others include businesses and other operations of subsidiaries that are not included in the leasing business, the brokerage business and the construction business.

Summary of orders received and orders received carried forward



■ Orders received

Orders received recorded a record first-quarter high for the second straight year, mainly due to a sharp increase in orders received for building construction, leading to a ¥5.9 billion increase

■ Orders received carried forward

Increased significantly by ¥18.4 billion year on year to ¥157.4 billion to mark a record 1Q high for the second straight year. This result reflected an increase in orders received in the current fiscal year, the carry-forward from which will help increase future net sales.

□ Orders received

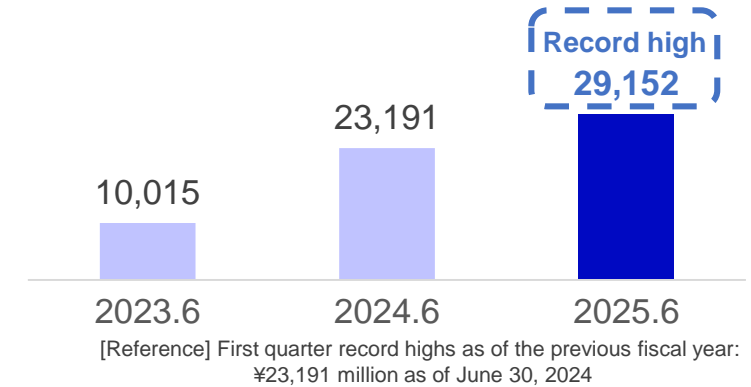
	2023.6	2024.6	2025.6	(Millions of Yen)	
	Actual	Actual	Actual	Year on year Increase/ decrease	Change
Building construction	4,845	14,475	22,378	7,902	54.6%
Civil engineering	5,169	8,715	6,774	▲1,941	▲22.3%
Total	10,015	23,191	29,152	5,961	25.7%

□ Orders received carried forward

	2023.6	2024.6	2025.6	(Millions of Yen)	
	Actual	Actual	Actual	Year on year Increase/ decrease	Change
Building construction	55,511	101,801	113,447	11,646	11.4%
Civil engineering	31,983	37,223	43,987	6,764	18.2%
Total	87,495	139,024	157,435	18,411	13.2%

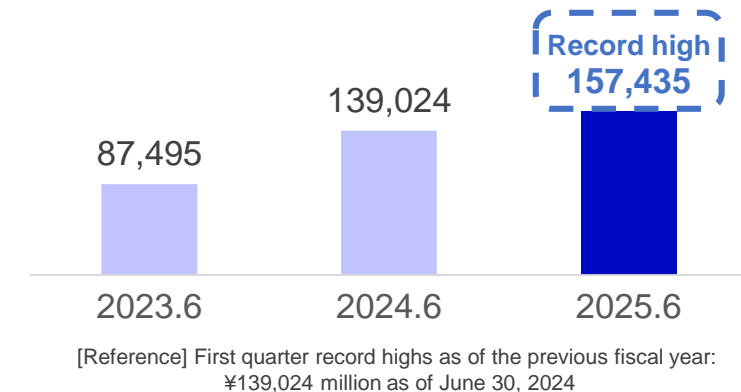
Orders received (JPY mil)

YoY ¥5.9 bn. (25.7%)



Orders received carried forward (JPY mil)

YoY ¥18.4 bn. (13.2%)



Consolidated financial position



■ Total assets

Due to progress in the construction business, particularly large logistics facility construction projects, trade receivables increased, and as a result, total assets increased by ¥8.9 billion

■ Liabilities

Total liabilities increased by ¥8.1 billion, in part due to the use of interest-bearing debt to cover an increased demand for working capital in connection with higher volume in the construction business

■ Net assets

Net assets increased by ¥0.7 billion due to the payment of dividends at the end of the previous period, more than offsetting the recording of retained earnings

□ Consolidated balance sheet

Consolidated balance sheet					(Millions of Yen)				
Assets		2025.3 Actual	2025.6 Actual	Increase/ decrease	Liabilities		2025.3 Actual	2025.6 Actual	Increase/ decrease
Current assets	Cash and deposits	15,669	16,359	689	Current liabilities	Trade payables	14,553	16,102	1,549
	Trade receivable	58,217	65,465	7,248		Short-term borrowings	26,600	30,400	3,800
	Costs on construction contracts in progress	3,320	4,532	1,211		Advances received on construction contracts in progress	10,348	11,801	1,452
	Real estate for sale	21,978	22,264	285		Others	3,971	5,622	1,651
	Others	9,006	8,996	▲9		Total	55,473	63,926	8,453
	Total	108,192	117,617	9,425	Non-current liabilities	Long-term borrowings	12,000	11,700	▲300
Non-current assets	Property, plant and equipment	25,138	25,246	107		Others	7,911	7,934	23
	Intangible assets	763	780	16		Total	19,911	19,634	▲276
	Investments and other assets	10,125	9,530	▲594	Total liabilities	75,384	83,561	8,176	
	Total	36,027	35,557	▲470	Net assets	68,835	69,614	778	
Total assets		144,220	153,175	8,954	Total liabilities and net assets		144,220	153,175	8,954

□ Key management indicators

	FYE March 2022 Actual	FYE March 2023 Actual	FYE March 2024 Actual	FYE March 2025 Actual	Three months ended June 30, 2024 Actual	(Millions of yen) Three months ended June 30, 2025 Actual
Return on assets (ROA)	5.0%	5.9%	7.5%	6.4%	—	—
Return on equity (ROE)	8.6%	7.6%	10.2%	8.3%	—	—
Earnings per share (EPS)	¥112.18	¥104.83	¥150.23	¥131.17	—	—
Equity ratio	49.4%	46.5%	52.8%	47.7%	56.0%	45.4%
Interest-bearing debt	30,400	31,900	22,400	38,600	25,400	42,100
NET interest-bearing debt(*)	8,388	9,078	2,413	22,930	9,649	25,740

(*) Net interest-bearing debt = interest-bearing debt - cash and deposits



II

Financial Forecasts for the Fiscal Year Ending March 31, 2026

Highlights of the financial forecasts for the fiscal year ending March 31, 2026

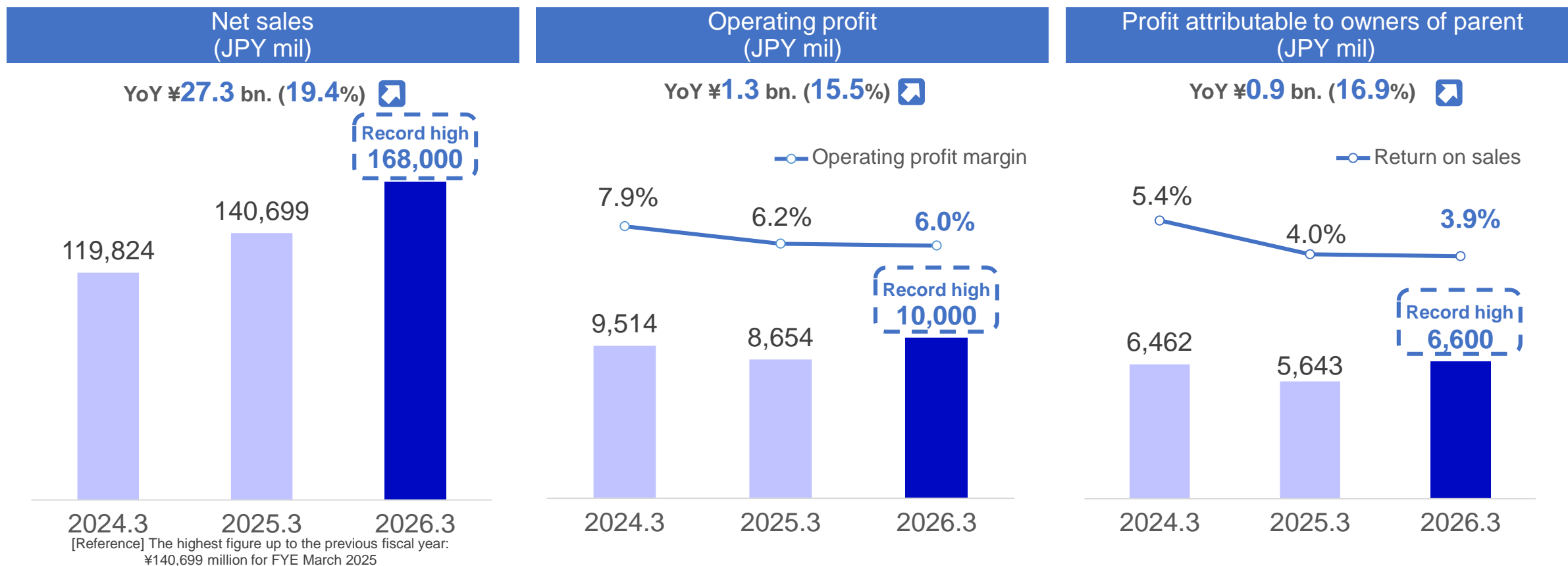


■ Net sales

Net sales are forecast to reach ¥168.0 billion, a new record high for the fourth consecutive year, due to the progress of work in several large building construction projects.

■ Profit

Operating profit is forecast to be ¥10.0 billion and profit to be ¥6.6 billion. Profits at all levels are expected to reach record highs due to an increase in sales in the construction business. The ¥10.0 billion operating profit target in the medium-term management plan is expected to be achieved.



Financial forecasts for the fiscal year ending March 31, 2026



Full-year forecasts for the fiscal year ending March 31, 2026 are as follows. Both net sales and profits at all levels are forecast to reach record highs, with net sales expected to be ¥168.0 billion (up¥ 27.3 billion year on year), operating profit to be ¥10.0 billion (up ¥1.3 billion) and profit to be ¥6.6 billion (up ¥0.9 billion).

□ Consolidated financial forecasts for the fiscal year ending March 31, 2026

	(Millions of Yen)							
	2025.3 Actual	2026.3 Full-year forecasts	Year on year (full year)		2024.9 Actual	2025.9 Forecast	Year on year (interim)	
			Increase/ decrease	Change			Increase/ decrease	Change
Net sales	140,699	168,000	27,300	19.4%	58,760	88,000	29,239	49.8%
Net sales of completed construction contracts	118,701	150,000	31,298	26.4%	49,581	78,000	28,418	57.3%
Net sales in real estate business and other	21,997	18,000	▲3,997	▲18.2%	9,179	10,000	820	8.9%
Gross profit	19,416	21,500	2,083	10.7%	6,421	11,300	4,878	76.0%
(Gross profit margin)	(13.8%)	(12.8%)		▲1.0pt	(10.9%)	(12.8%)		1.9pt
Gross profit on completed construction contracts	10,836	15,000	4,163	38.4%	3,409	8,000	4,590	134.6%
Gross profit on real estate business and other	8,580	6,500	▲2,080	▲24.2%	3,011	3,300	288	9.6%
Selling, general, and administrative expenses	10,762	11,500	737	6.9%	5,134	5,300	165	3.2%
Operating profit	8,654	10,000	1,345	15.5%	1,286	6,000	4,713	366.2%
(Operating profit margin)	(6.2%)	(6.0%)		▲0.2pt	(2.2%)	(6.8%)		4.6pt
Ordinary profit	8,616	9,900	1,283	14.9%	1,325	6,000	4,674	352.5%
(Ordinary profit margin)	(6.1%)	(5.9%)		▲0.2pt	(2.3%)	(6.8%)		4.5pt
Profit attributable to owners of parent	5,643	6,600	956	16.9%	967	4,100	3,132	323.7%
(Return on sales)	(4.0%)	(3.9%)		▲0.1pt	(1.6%)	(4.7%)		3.1pt

Consolidated financial forecasts for the fiscal year ending March 31, 2026 (by segment)



	(Millions of Yen)							
	2025.3	2026.3	Year on year (full year)		2024.9	2025.9	Year on year (interim)	
	Actual	Full-year forecasts	Increase/decrease	Change	Actual	Forecast	Increase/decrease	Change
Net sales	140,699	168,000	27,300	19.4%	58,760	88,000	29,239	49.8%
Net sales of completed construction contracts	118,701	150,000	31,298	26.4%	49,581	78,000	28,418	57.3%
Building construction	86,529	111,600	25,070	29.0%	35,795	63,000	27,204	76.0%
Civil engineering	32,172	38,400	6,227	19.4%	13,785	15,000	1,214	8.8%
Net sales in real estate business and other	21,997	18,000	▲3,997	▲18.2%	9,179	10,000	820	8.9%
Gross profit	19,416	21,500	2,083	10.7%	6,421	11,300	4,878	76.0%
Gross profit on completed construction contracts	10,836	15,000	4,163	38.4%	3,409	8,000	4,590	134.6%
<i>(Gross profit margin on completed construction contracts)</i>	<i>(9.1%)</i>	<i>(10.0%)</i>		<i>0.9pt</i>	<i>(6.9%)</i>	<i>(10.3%)</i>		<i>3.4pt</i>
Building construction	4,676	8,600	3,923	83.9%	1,218	6,000	4,781	392.4%
<i>(Profit margin on building construction)</i>	<i>(5.4%)</i>	<i>(7.7%)</i>		<i>2.3pt</i>	<i>(3.4%)</i>	<i>(9.5%)</i>		<i>6.1pt</i>
Civil engineering	6,159	6,400	240	3.9%	2,191	2,000	▲191	▲8.7%
<i>(Profit margin on civil engineering)</i>	<i>(19.1%)</i>	<i>(16.7%)</i>		▲2.4pt	<i>(15.9%)</i>	<i>(13.3%)</i>		▲2.6pt
Gross profit on real estate business and other	8,580	6,500	▲2,080	▲24.2%	3,011	3,300	288	9.6%
<i>(Gross profit margin on real estate business and others)</i>	<i>(39.0%)</i>	<i>(36.1%)</i>		▲2.9pt	<i>(32.8%)</i>	<i>(33.0%)</i>		<i>0.2pt</i>

Factors for increase or decrease in net sales/operating profit (vs results for the fiscal year ended March 31, 2025)

■ Net sales

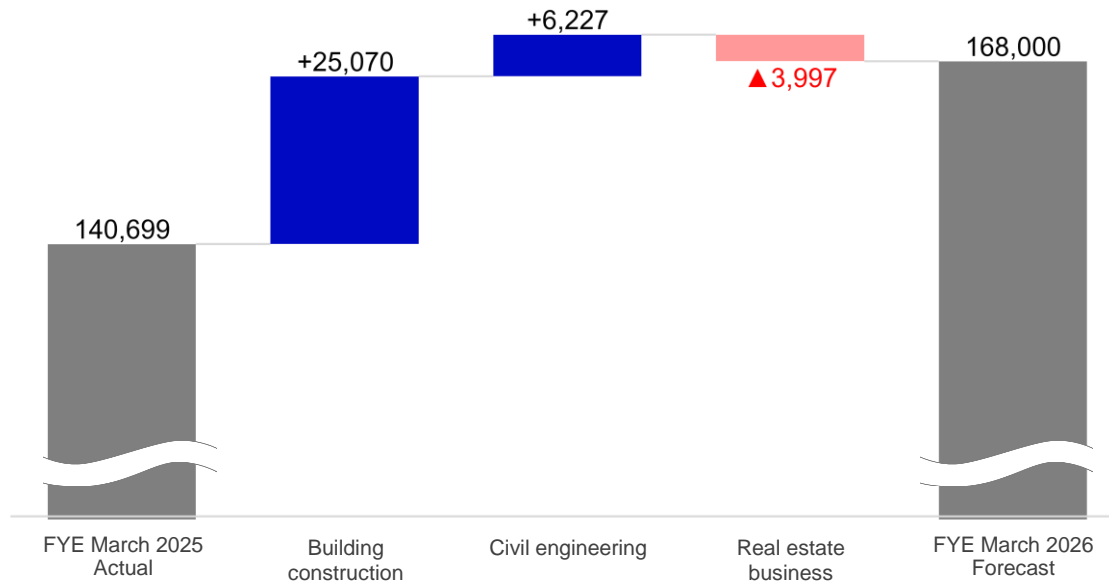
Construction business: Net sales are expected to far exceed the previous fiscal year due to the progress of work in several large building construction projects.
Real estate business: Net sales are expected to fall below the previous fiscal year as the number of units sold in the condominiums for sale business will decrease due to a decrease in the number of newly offered units.

■ Profit

Construction business: Profit is expected to far exceed the previous fiscal year due to an increase in sales in both the building construction and civil engineering segments.
Real estate business: Profit is expected to fall below the result of the previous fiscal year due to a decrease in sales.

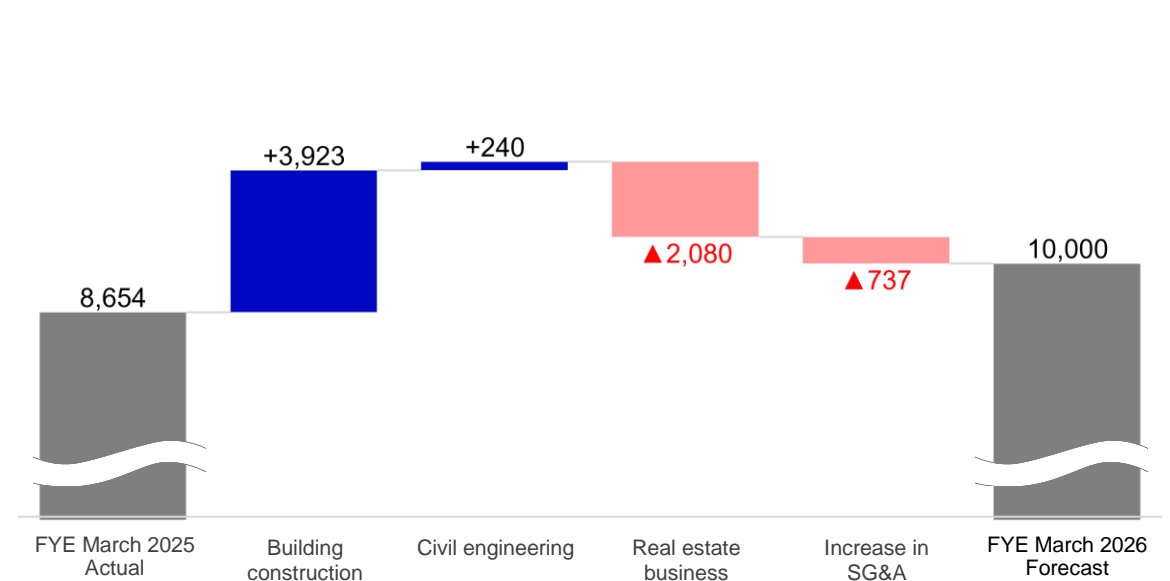
Net sales (JPY mil)

YoY ¥27,300 mil. 



Operating profit (JPY mil)

YoY ¥1,345 mil. 



Progress of the the medium-term management plan (FY2021 to FY2025)



■ Net sales

Net sales are expected to far exceed the numerical target in the medium-term management plan (¥130.0 billion) due to an increase in orders received for building construction associated with real estate development, and also aggressive initiatives in large construction projects.

■ Profit

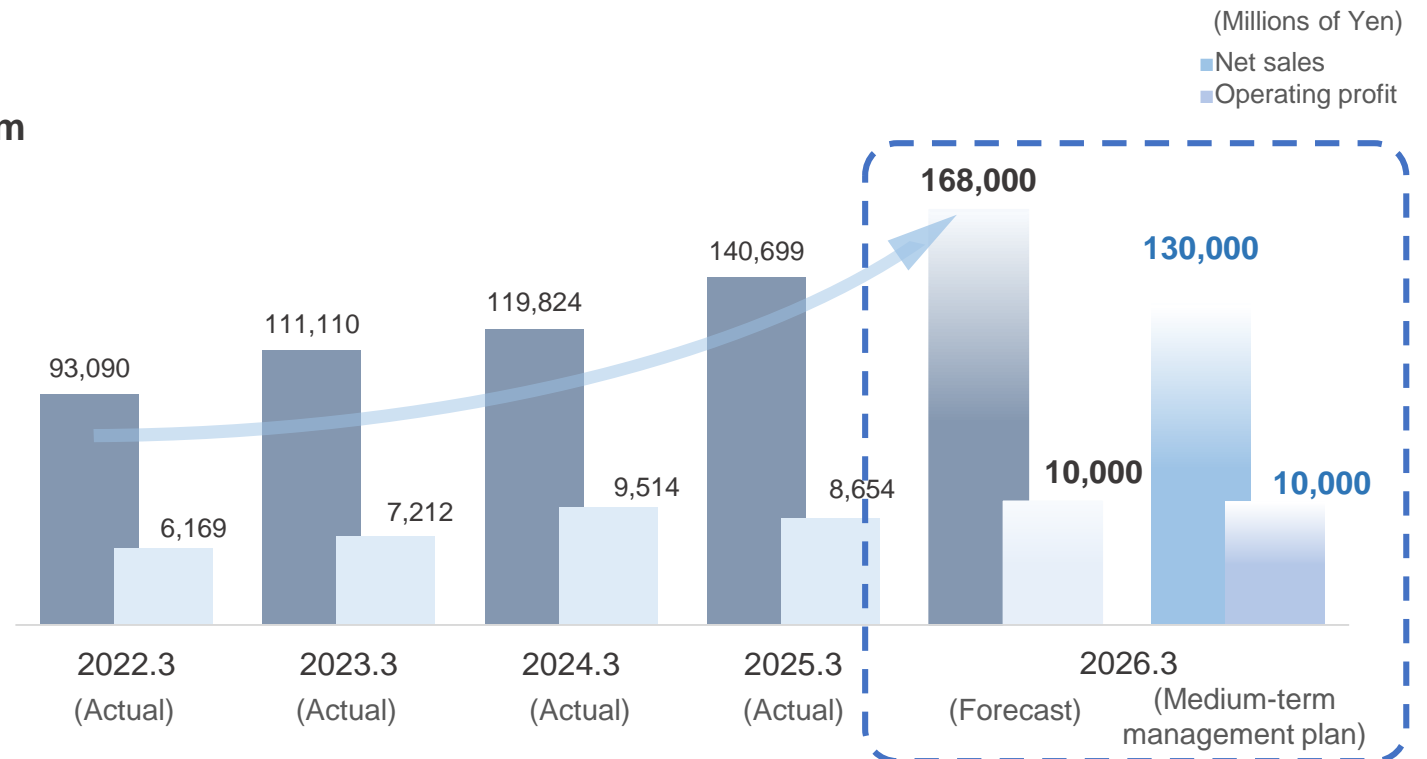
The numerical operating profit target in the medium-term management plan (¥10.0 billion) is expected to be achieved due to a significant increase in sales which more than offset the steep increase of material and labor costs which was not anticipated when the plan was formulated.

◆ Targets for the final fiscal year of the medium-term management plan (FYE March 2026)

- ❑ Consolidated net sales: 130.0 billion yen
- ❑ Consolidated operating profit: 10.0 billion yen

◆ FYE March 2026 Forecast

- ❑ Consolidated net sales: 168.0 billion yen
- ❑ Consolidated operating profit: 10.0 billion yen



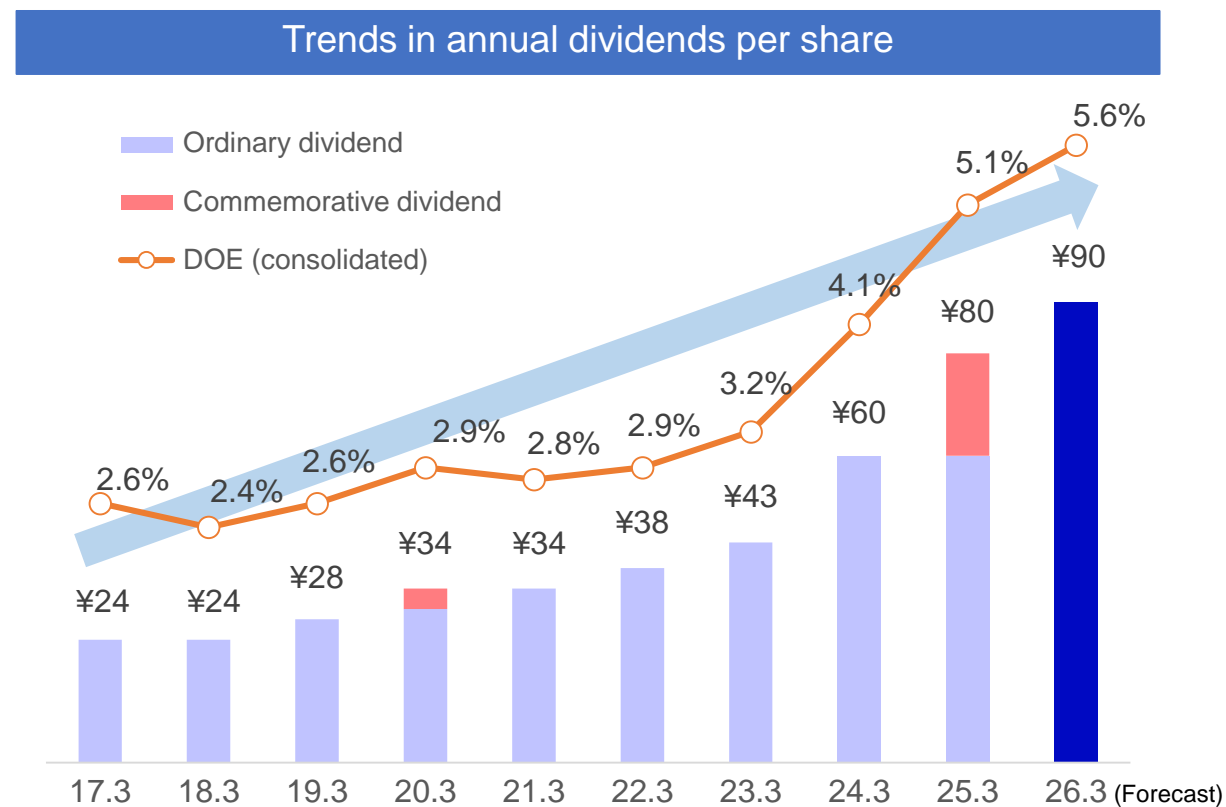
Dividend policy (target): Dividend on equity ratio (DOE) of 5% or more and progressive dividends

- The annual dividend for the fiscal year ending March 31, 2026 is forecast to be ¥90 as ordinary dividends (up ¥10 from the previous fiscal year*), increasing for the fifth consecutive fiscal year with no reduction of dividends for 13 consecutive fiscal years.
- The dividend on equity ratio (DOE) is expected to be 5.6%, exceeding the target of 5% or higher

* In terms of ordinary dividends, the increase will be ¥30 because the dividends of ¥80 per share for the fiscal year ended March 31, 2025 (the previous fiscal year) includes a commemorative dividend of ¥20.

	2022.3	2023.3	2024.3	2025.3	2026.3 (Forecast)
Interim dividend	¥17	¥19	¥30	¥40	¥45
Year-end dividend	¥21	¥24	¥30	¥40	¥45
Annual dividend	¥38	¥43	¥60	(*) ¥80	¥90
Dividend payout ratio	33.9%	41.0%	39.9%	61.0%	58.7%
Dividends on equity (DOE)	2.9%	3.2%	4.1%	5.1%	5.6%

(*) Including commemorative dividend of ¥20 for the 75th anniversary of founding





Reference Information

1. Consolidated financial results (for the last 5 years) and forecasts



	(Millions of Yen)					
	2021.6	2022.6	2023.6	2024.6	2025.6	FYE March 2026 forecast
Net sales	23,525	18,195	24,732	26,635	41,153	168,000
(Year-on-year percentage change)	(2.1%)	(▲22.7%)	(35.9%)	(7.7%)	(54.5%)	(19.4%)
Operating profit	840	644	138	726	3,647	10,000
(Year-on-year percentage change)	(▲58.6%)	(▲23.2%)	(▲78.5%)	(425.1%)	(401.8%)	(15.5%)
Ordinary profit	883	680	195	777	3,676	9,900
(Year-on-year percentage change)	(▲57.8%)	(▲23.0%)	(▲71.3%)	(298.1%)	(373.0%)	(14.9%)
Profit attributable to owners of parent	623	497	189	584	2,560	6,600
(Year-on-year percentage change)	(▲57.1%)	(▲20.2%)	(▲62.0%)	(208.8%)	(338.5%)	(16.9%)

□ Net sales and each level of profit high record first-quarter highs

□ <Reference>

First year for which consolidated financial statements were prepared

FYE March 1991

First quarter record highs as of the previous fiscal year

● Net sales	2024.6	26,635 million yen
● Operating profit	2016.6	2,829 million yen
● Ordinary profit	2016.6	2,878 million yen
● Profit attributable to owners of parent	2016.6	2,265 million yen

2. Status of consolidated subsidiaries (as of June 30, 2025)

Name	Address	Capital (Millions of yen)	Fiscal year end	Business description	Net sales for the first three months (Millions of yen)
YAHAGI REAL ESTATE Co., Ltd.	Higashi-ku, Nagoya	800	March	Condominiums for sale business, real estate development business, real estate leasing business, real estate brokerage business	2,536
YAHAGI BUILDING AND LIFE CO., LTD.	Higashi-ku, Nagoya	400	March	Apartment and building management business, architectural business	1,437
YAHAGI GREEN Co., Ltd.	Higashi-ku, Nagoya	100	March	Greenery business, golf course management business	846
Techno Support Co., Ltd.	Higashi-ku, Nagoya	50	March	PAN WALL (an earth reinforcement method using panels and “soil nails” for slope protection) business, PITA Column (a seismic retrofitting method using external reinforcing for existing buildings) business, construction work, technological development, test piece production	231
YAHAGI ROAD CO., LTD.	Toyota, Aichi	300	March	Paving business, civil engineering business, manufacture and sales of asphalt mixture, recycling business	2,008
Nanshin Takamori Development Co., Ltd.	Takamori-machi, Shimoina-gun, Nagano	50	March	Operation of golf courses (Takamori Country Club)	132
HOKUWA CONSTRUCTION, INC.	Shimogyo-ku, Kyoto	85	March	Architectural business	2,014
Minamichita Mirai Partners Co., Ltd.	Minamichita, Chita-gun, Aichi	30	March	Development and operation business for the surroundings of Morozaki Port Tourism Center	17

(Notes) 1. YAHAGI REAL ESTATE Co., Ltd., YAHAGI BUILDING AND LIFE CO., LTD., YAHAGI GREEN Co., Ltd., Techno Support Co., Ltd., YAHAGI ROAD CO., LTD., Nanshin Takamori Development Co., Ltd., and HOKUWA CONSTRUCTION, INC., are all wholly owned subsidiaries of YAHAGI CONSTRUCTION CO., LTD. (For Nanshin Takamori Development Co., Ltd., there are indirect holdings of 69%.)

2. Minamichita Mirai Partners Co., Ltd. is a subsidiary of YAHAGI CONSTRUCTION CO., LTD., which holds 66.7% of the voting rights of Minamichita Mirai Partners Co., Ltd.

3. Orders received, net sales, and orders received carried forward (consolidated)

(Millions of Yen)

Category			Orders received				Net sales				Orders received carried forward			
			2024.6	2025.6	Year on year		2024.6	2025.6	Year on year		2024.6	2025.6	Year on year	
			Actual	Actual	Increase/decrease	Change	Actual	Actual	Increase/decrease	Change	Actual	Actual	Increase/decrease	Change
Construction	Building construction	Government	—	85	85	—	241	3	▲ 237	▲98.5%	1,390	121	▲ 1,269	▲91.3%
		Private	14,475	22,292	7,817	54.0%	15,604	28,569	12,965	83.1%	100,410	113,326	12,916	12.9%
	Total		14,475	22,378	7,902	54.6%	15,846	28,573	12,727	80.3%	101,801	113,447	11,646	11.4%
	Civil engineering	Government	3,517	2,983	▲ 533	▲15.2%	2,773	2,560	▲ 212	▲7.7%	18,890	23,500	4,609	24.4%
		Private	5,198	3,791	▲ 1,407	▲27.1%	3,724	4,568	843	22.7%	18,332	20,487	2,155	11.8%
	Total		8,715	6,774	▲ 1,941	▲22.3%	6,498	7,128	630	9.7%	37,223	43,987	6,764	18.2%
		Government	3,517	3,068	▲ 448	▲12.7%	3,014	2,564	▲ 450	▲14.9%	20,281	23,621	3,339	16.5%
		Private	19,673	26,084	6,410	32.6%	19,329	33,138	13,808	71.4%	118,742	133,813	15,071	12.7%
	Total		23,191	29,152	5,961	25.7%	22,344	35,702	13,358	59.8%	139,024	157,435	18,411	13.2%
	Real estate business and other						4,291	5,450	1,159	27.0%				
Total							26,635	41,153	14,518	54.5%				

* Forward-looking statements such as earnings forecasts contained in this document include projections for the future, assumptions underlying plans, and predictions as of the date of the release of this document. These statements are not guarantees of future performance by the Company. Actual results may differ significantly depending on various factors in the future. This document contains estimates that have not been audited, and the figures are subject to change.

* This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.